



## Canada Revenue Agency: 3 Big Tips for 2020

### Description

The Canada Revenue Agency has been forced to adapt to the COVID-19 pandemic to provide services for a reeling population. In a normal year, Canadians would be hustling to complete their tax returns by April 30. However, this year the federal government extended the deadline to June. On top of that, the Canada Revenue Agency has adopted other changes.

Today, I want to go over three important tips for Canadians as we approach the crucial month of June. Let's dive in.

## Canada Revenue Agency: Remember new changes in 2020

Last week, I'd discussed the Canadian Emergency Response Benefit (CERB). This new program was introduced by the federal government to provide quick and easy financial relief to those who needed it due to the COVID-19 pandemic. As of late last week, Statistics Canada revealed that over seven million Canadians had applied for the CERB. This will make the Canada Revenue Agency very busy in the months to come.

It is important for applicants to [understand eligibility](#) when they are applying for the CERB. Some of the prerequisites were loosened in April to include applicants who had experienced a sharp reduction in pay at their place of work.

## Retirement tip: Canada Pension Plan enhancement

New changes saw Canadians contributing more to their Canada Pension Plan (CPP) as of January 1, 2019. Canadians can claim a deduction for their enhanced contributions to the CPP. Annual contribution rates will also rise, albeit modestly, over a seven-year period. This change was introduced by the ruling Liberals to increase retirement income for Canadians.

Beyond the Canada Revenue Agency, Canadians should also work to secure their retirement through their portfolio. This can involve investing in stable, income-yielding equities. **Fortis** remains one of my

top picks on the TSX. Shares of Fortis have climbed 2.5% in 2020 as of early afternoon trading on April 28. The stock is up 10% year over year.

Moreover, Fortis has delivered dividend growth for over 45 consecutive years. It currently offers a quarterly distribution of \$0.4775 per share. This represents a 3.4% yield. Fortis stock still possesses a favourable price-to-earnings ratio of 14. Utilities qualify as an essential service and are safe holds in this time of crisis.

## Don't forget the Basic Personal Amount

Before the COVID-19 pandemic, I'd discussed what at the time was the [biggest change](#) for the Canada Revenue Agency. The Basic Personal Amount (BPA) was created to help Canadians with their basic needs. It aimed to achieve this by imposing no federal income tax on a certain amount of income that an individual earns.

The Liberal government aims to bring the BPA to \$15,000 by 2023. In 2019, a Canadian taxpayer could earn up to \$12,069 before paying any federal income tax. The debt burden on Canadians has increased in the years following the previous financial crisis. This year has brought about a financial catastrophe that may take decades to repair. Taxpayers should use every Canada Revenue Agency tool at their disposal. This includes the BPA.

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